No. 97-785

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1997

THE BONNEAU COMPANY,

Petitioner,

—v.—

MAGNIVISION, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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36 pp

QUESTION PRESENTED

Respondent Magnivision, Inc. ("Magnivision") objects to the "Questions Presented" in the Petition filed by Petitioner The Bonneau Company ("Bonneau"). The "Questions Presented" therein do not properly present the nature of Bonneau's Petition. The correct question, to the extent there is a correct question[1], should be as follows:

> May evidence of so-called procedural "irregularities," that supposedly occurred during the prosecution of a patent, and are not recognized as statutory or legal attacks on patent's validity, be introduced into evidence at a trial to attack the statutory presumption of patent validity?

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[1] As explained below, in the Jurisdictional Statement Pursuant to Supreme Court Rule 15(4), Magnivision believes that the issues raised in Bonneau's Petition, whether fashioned in the manner proffered by Bonneau or the manner suggested herein, are not ripe for review by this Court.

LIST OF PARTIES IN RULE 29.1 LIST

The parties to the proceedings below were the petitioner The Bonneau Company and the respondent Magnivision, Inc.

The parent company of The Bonneau Company is currently Accessories Associates, Inc. The Bonneau Company has no non-wholly-owned subsidiaries.

The parent company of Magnivision, Inc. is American Greetings, Inc. Magnivision, Inc. has no non-wholly-owned subsidiaries.

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PRELIMINARY JURISDICTIONAL STATEMENT PURSUANT TO SUPREME COURT RULE 15(4)

The exercise of federal judicial power under Article III of the Constitution depends on the existence of a case or controversy. U.S. Const. Art III Section 2. This Court explained that "[a] case or controversy ... implies the existence, of present or possible adverse parties whose contentions are submitted to the court for adjudication." *Muskrat v. United States*, 219 U.S. 346 (1911), (*citing Chisholm v. Georgia*, 2 Dall. 431 (1792)). *See also North Carolina v. Rice*, 404 U.S. 244, 246 (1971); *Valley Forge Christian College v. Americans United for Separation of Church and State*, 454 U.S. 464, 472 (1982).

Accordingly, this Court can neither issue advisory opinions, *see Coffman v. Breeze Corporations*, 323 U.S. 316, 324 (1945), nor decide hypothetical or abstract questions. *See Electric Bond Co. v. Comm'n*., 303 U.S. 419, 443 (1938). In elucidating its jurisdiction, this Court explained that:

> A "controversy" . . . must be definite and concrete, touching the legal relations of parties having adverse legal interests. It must be a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a

hypothetical state of facts.

Aetna Life Ins. Co. v. Haworth, 300 U.S. 227, 240-41 (1937) (*citations omitted*). As such, for this Court to maintain jurisdiction over this case, (1) Bonneau must be an adverse party to Magnivision in regard to this issue; and, (2) Bonneau must have a legally cognizable interest in the litigation. However, neither of these two factors are present.

As explained in Bonneau's petition, as well as herein, Bonneau accused Magnivision of engaging in "prosecution irregularities" when Magnivision secured a patent. Specifically, Bonneau accused Magnivision of engaging in a "non-recorded" interview with the patent examiner. ***However***, as the Court of Appeals for the Federal Circuit explained, Magnivision's interview ***was recorded***. Moreover, the Manual of Patent Examining Procedure indicates that ***the communication between the Examiner and Magnivision's attorney can not be classified as an interview.***

Therefore, even if a "prosecution irregularity" could be relied upon to challenge a patent's presumption of validity, as the Federal Circuit explained, ***there is no evidence of an***

irregularity occurring – the record indicates the opposite. Although Bonneau is unhappy with the state of the law, there is no factual predicate which rises to a case or controversy.

Essentially, the very conduct that Bonneau objected to, and seeks to have this Court review, never occurred. (See slip opinion appendix at pp. 5, 6 and 8). Accordingly, even if, *arguendo*, this Court were to make new law, ***it would not affect the legal rights or interests of either of the parties to this action.***

Moreover, to the extent that Magnivision and Bonneau have an adversarial relationship with regard to the issue of "prosecution irregularities" (under either Magnivision's or Bonneau's Questions Presented), it is only a philosophical difference.

PRELIMINARY STATEMENT

This case presents no issue worthy of review by the Supreme Court. The decision below does not conflict with the decision of any other court, involves no issues of constitutional law, and presents no important questions of patent law.

This case is merely an instance where an Appellate Court reviewed the evidentiary rulings and jury instructions by a trial court. Moreover, the Appellate Court determined, in accordance with established standards of review, that the judgment of the District Court must be vacated.

Bonneau's Petition attempts to create frightening scenarios about the obstacles that a patent challenger faces when forced to rely on the defenses of invalidity, non-infringement and inequitable conduct. However, what Bonneau is really complaining about is an alleged *de-minimis* (albeit non-existent) Patent Office rule violation (failure to record an interview between the Examiner and patent applicant) that occurred during the prosecution of a patent application. As explained, even if this violation occurred, it has no relation to the issue of patent validity.

In enacting 35 U.S.C. § 101 *et seq.*, Congress did not include a proported failure to comply with a regulation of the Patent Office as a consideration of patent validity. Thus, Bonneau's complaint is not with the Appellate Court's proper refusal to make new law, but rather with Congress's refusal to include this new defense when drafting 35 U.S.C. § 282.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Federal Circuit is reported at 115 F.3d 956. It is reprinted in the appendix to Bonneau's Petition at A-2 - A-12.

JURISDICTION

Bonneau's statement of jurisdiction is correct, except as noted above and Bonneau failed to note that the jurisdiction of this Court is discretionary.

STATUTORY AND REGULATORY PROVISIONS INVOLVED.

Bonneau's petition properly and adequately set forth the statutory and regulations at issue, except that the MPEP is not statutory.

STATEMENT OF THE CASE

A. Proceedings In The District Court

Magnivision brought this action for patent infringement against Bonneau. The patent-in-suit is U.S. Patent No. 5,144,345 ("the '345 patent"), claims a display for non-prescription reading glasses. In short, the invention is a display whereby a customer can try-on as many pairs of eyeglasses as

are necessary to find a pair that provides: (1) optimal visual correction without interfering with the customer's view through the eyeglasses; (2) a comfortable fit; and (3) a desired frame style. The invention also provides for multiple stacking while providing pilfer resistance.

One of Bonneau's initial defenses was inequitable conduct. Prior to trial the District Court granted Magnivision's Motion for Summary Judgment to dismiss this defense. The District Court found that there was ***no*** evidence to demonstrate that Magnivision had any intent to deceive the United States Patent and Trademark Office ("PTO") while prosecuting the '345 Patent Application. (A1269-70; A1295-1306).[2]

Pursuant to a Pretrial Conference Order the parties identified the factual and legal issues to be tried, and nothing therein mentioned or alluded to the issue of "prosecution irregularities." (A1859-65). Several days later, Bonneau filed its Narrative Statements regarding its expert witnesses.

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[2] As with the Petition, all references are to the appeal appendix except those denoted "A-" which refer to the Federal Circuit's Opinion included in the Petition.

Again, there was no statement regarding "prosecution irregularities." (A1695-717)

This action was tried before a jury in June, 1994. During Opening Statements, Bonneau's Counsel made the following remarks:

> [w]e are going to review [the '345 patent's] prosecution history in this case in some detail because it has an unusual history. You're going to see that certain irregularities -- [sidebar conference at which the magistrate judge overruled Magnivision's objection to this issue]. . . .
>
> Then, a rather curious thing happened. Mr. Cobrin, on March 16th, 1992, had a telephone interview with the Examiner. And after that, the Examiner, for the first time, agreed to allow the claims. ***And despite the rules of the Patent Office requiring a written report of any interview, there is no such written report***, and there is nothing to indicate why the Examiner did an about-face.

(A3693-95)

Bonneau's Petition suggests that it was Magnivision, not Bonneau, that solicited testimony regarding the "regularity" of the '345 Patent. *See, e.g.*, Bonneau's Petition at 13. As demonstrated *supra*, Bonneau raised this issue in its opening statement, and its "patent expert" Warren Jessup admitted to

working on this theory prior to trial. (A4742-43)

Magnivision, reciting the prior ruling of the District Court that there was no evidence of inequitable conduct or fraud on the part of Magnivision, moved to preclude this issue from the case. In a sidebar conference with the Magistrate Judge where the issue was further discussed, the Court responded to Bonneau's counsel,

> "I understand what you're saying in terms of ***["prosecution irregularities"] goes to the regularity or to the validity of the patent.***

(A-716) (*emphasis added*). Magnivision objected to this issue on several occasions; however the District Court then determined that it would permit inquiry into the issue.

At trial, Magnivision's expert George Gotlieb explained that §713 of the MPEP requires a written summary ***only*** where the attorney presents matters for the examiner's consideration. (A5342-5). He then explained that the "unrecorded" -- and hence allegedly "irregular" -- March 16, 1992 communication was not, in fact, an "interview" at all; rather, it was simply telephone call placed ***by the Primary Examiner*** to Magnivision's attorney suggesting that a certain combination of

elements, if properly claimed, might be allowable. *Id.* ***As such, the March 16 communication was not subject to the recordation obligations of MPEP §713.*** *Id.* Bonneau's "patent expert," Warren Jessup later testified that, if the March 16 communication involved nothing more than a suggestion by the examiner of allowable subject matter, ***then the communication was not an "interview"*** within the meaning of MPEP §713. (A4752-3).

In closing arguments Bonneau offered the following theory regarding the issue of "prosecution irregularities":

> ***Now, the presumption of validity also assumes that there were no irregularities during the prosecution of the patent ...***

(A5128) (*emphasis added*). And after stating that Magnivision and its patent attorneys made misrepresentations to the patent examiner, Bonneau's attorney continued by stating:

> ***Unfortunately, we don't know everything else that the Magnivision patent attorneys told the examiner because the file wrapper is incomplete.*** Moreover, it is incomplete at a point which is critical with respect to what was said that led to the allowance of Claim 5. ...
>
> Clearly, the key event in connection with the allowance of claim 5 was the

> unrecorded discussion between the examiner and Mr. Cobrin on March 16, 1992. ...
>
> [T]his interview and the eight or nine other interviews after the final rejection demonstrated the remarkable persistence of Mr. Cobrin in eventually wearing down the examiner and obtaining allowance of Claim 5.

(A5128-30) (*emphasis added*).

The jury found for Bonneau on every issue.

In all, Bonneau raised various "irregularities" which, by its pleadings, were not material to any of the statutory defenses outlined by Congress, and Bonneau lumped these together to carve out a new way to attack a patent's validity, while at the same time undercutting Magnivision's credibility with the jury.

B. The Appeal

Magnivision appealed the jury's verdict (as well as the District Court's denial of its JMOL motions) to the Federal Circuit.

On appeal Magnivision asserted *inter alia*: (1) the theory of "prosecution irregularities" is not a valid issue to attack a patent's validity; (2) even if, *arguendo*, "prosecution irregularities" were a valid defense, the alleged "irregularities"

never occurred; (3) none of the alleged "prosecution irregularities" were material to any of the other statutory defenses; and (4) the barrage of "evidence" on the issue of "prosecution irregularities" focused on the actions of Magnivision's patent attorney, who was also Magnivision's trial attorney in this case, tainting the entire trial.

In footnote 3 of the Petition (at pages 4-5), Bonneau suggests that, even if the Federal Circuit rejected the theory of "prosecution irregularities," that Court should have upheld the Jury's finding of infringement. Bonneau never raised this issue below. Additionally, the Federal Circuit clearly stated that in

> Viewing the proceedings as a whole, we are persuaded that fundamental fairness of the adjudication was prejudiced.

(A-13).

The Federal Circuit vacated and remanded the case to be re-tried. In so doing, the Federal Circuit stated that

> the presumption of validity and the placement of the burden of proof [on invalidity] remain "static, never-changing." *American Hoise & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359-60, 220 USPQ 763, 770 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984). The

> purpose of the presumption of validity, codified at 35 U.S.C. § 282, is to contribute stability to the grant of patent rights. *See* P.J. Federico, *Commentary on the New Patent Act*, 75 JPTOS 161, 215 (1993) (reprinted from 35 U.S.C.A. (1954 ed.)) ("That a patent is presumed valid was the law prior to the new statute, but it was not expressed in the old statute. The statement of the presumption in the statute should give it greater dignity and effectiveness.") The presumption operates by placing the burden of proving invalidity on the person attacking the patent, who must prove invalidity by clear and convincing evidence. The presumption does not dissolve and the burden of proof does not change during the trial: rather, the evidence presented by the challenger must be of such quality and weight as to establish invalidity despite the presumption.

(A-3, 4)

REASONS FOR NOT GRANTING THE WRIT

There Is No Question Of Fundamental Importance To The Trials of Patent Infringement Suits Presented By The Petitioner Herein

Bonneau's Petition fails to explain that Bonneau's "Prosecution Irregularities" theory has separated the "Presumption of Validity" from "Patent Validity." To wit, Bonneau's "Prosecution Irregularities" theory posits that evidence which is not relevant to a patent's validity or

invalidity, (as established by 35 U.S.C. 101 *et seq.*), can eviscerate the "Presumption of Validity." There is no authority for this dichotomy.

Bonneau's basic contention in its Petition is that the Federal Circuit's Decision has "radically alter[ed] the playing field in patent litigation." Petition at 7. Not so! Bonneau cites no authority for its new "Prosecution Irregularities" defense, and all existing authority is to the contrary.

Bonneau states that this Court has held that a patent's prosecution is necessary in interpreting the claims of the patent. Petition at 14, 16 (*citing Warner-Jenkinson, Inc. v. Hilton Davis Chemical Co.*, -- U.S. --, 117 S.Ct. 1040 (1997)). Bonneau contends that the Federal Circuit's decision in this case undercuts such precedent. This is nonsense.

Bonneau's Petition basically asks this Court to add new legislation to the Patent Statute. If a defense of "Prosecution Irregularities" is allowed, the whole field of patent law would be radically altered.

1. The Presumption of Validity Is Not "Vexing"

Bonneau's Petition asserts that "the presumption of validity surrounding a patent has been a vexing aspect of patent litigation through the years." Not surprisingly, Bonneau cites no authority for this proposition. There is none.

Courts have consistently held that overcoming a patent's presumption of validity is accomplished by producing clear and convincing evidence that the patent is ***invalid*** under a ground established by Congress. *See, e.g., Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966) (requirement for proving obviousness); *New England Braiding Co. v. A.W. Chesterton Co.*, 970 F.2d 878, 883 (Fed. Cir. 1992); *Tillotson, Ltd. v. Walbro Corp.*, 831 F.2d 1033, 1036-37 (Fed. Cir. 1987); *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 894, (Fed. Cir.), *cert. denied*, 469 U.S. 857 (1984).

2. Bonneau's Petition Separates the "Presumption Of Validity" From The Issue of Patent Validity

Throughout the petition Bonneau asserts that a patent's presumption of validity could be chipped away by evidence which is irrelevant to the patent's validity. Thus, in essence, Bonneau implies a two step process: (1) determining whether

procedural irregularities exist (which are irrelevant to patent validity under 35 U.S.C. § 101 *et seq.*), and (2) if such procedural irregularities do exist, depriving the patent of the presumption of validity. Thus, although Bonneau fails to explain this process, in effect, Bonneau posits that the "presumption of validity" may be overcome by evidence which is irrelevant to patent validity.

For example, Bonneau's position (*i.e.*, that the "presumption" of validity could be overcome with evidence that does not go to validity), would require that if a patent application is typed in blue ink, instead of in black ink as the Patent Office requires, the patent would loose its presumption of validity.

Under another scenario, if a patentee received an irregular shipment of paper, such that the paper was 1/8 inch too long (*e.g.* 11 1/8 inches long instead of 11" long), because the patent office requests paper which is 8½" by 11", the patent's presumption of validity could be altered despite ***absolutely no evidence of invalidity***. Even if the record is replete with such evidence, such evidence does not effect a patent's validity.

Nothing in the statute or existing case law suggests that the presumption of validity can be overcome by anything other than clear and convincing evidence of invalidity.

3. The Existing Authority On This Issue All Weighs Against Insertion Of This New Defense

Not surprisingly, Bonneau has failed to cite even one case that has ever espoused Bonneau's view on the issue of "Prosecution Irregularities" or, one case that even addressed this so called defense. Thus, despite a good deal of rhetoric portending disaster, Bonneau has failed to concretely demonstrate how the Federal Circuit's decision changes the law.

35 U.S.C. § 282 lists defenses available to an accused infringer. The catch-all provision of the statute, states: "(4) any other fact or act ***made a defense by this title***." (*emphasis added*). Quite simply, nothing in Title 35 of the United States Code even suggests a defense of "prosecution irregularities."

Bonneau suggests that *American Hoist & Derrick v. Sowa & Sons*, 725 F.2d 1350 (Fed. Cir. 1984), *cert. denied*, 469 US 821 (1984), "implicitly" acknowledges a "prosecution

irregularities" defense. This is not true. Bonneau confuses the ***statutory*** presumption of validity with the common law doctrine of ***administrative deference***. *American Hoist*, however, clearly articulates the distinction between the presumption of validity -- "the burden is on the attacker ... [and] that burden never shifts" -- and the presumption of administrative correctness -- "the deference that is due a qualified government agency presumed to have properly done its job." *Id.*, 725 F.2d at 1359.

Furthermore, Bonneau's theory is inconsistent with *Western Electric v. Piezo Technology*, 860 F.2d 428 (Fed. Cir. 1988), in that it is not the particular expertise and/or obstinacy of the examiner, but rather the examiner's duly vested authority, that gives his/her decision a presumption of administrative correctness. In *Western*, the Federal Circuit held that compelling an examiner "to answer questions directed at his knowledge of the prior art and his expertise in a particular technology" was an abuse of discretion. *Id.* at 433. In so holding, the Federal Circuit observed:

> We find that the questions ... are objectionable for a second reason. They tend to be disruptive of the decision making process and thereby interfere with the PTO's administrative functions. By asking these questions in anticipation that the examiner does not

> know the answers or is not fully conversant with the technical area, a party could attempt to discredit the examiner and ease its burden of persuasion. *See Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 1050, 5 USPQ2d 1434, 1438 (Fed. Cir. 1988) ("A patent is presumed valid and the burden of establishing invalidity rests on the party asserting such invalidity.") Accordingly, the concerns expressed in *Morgan* are relevant here. The Supreme Court noted that questioning of a judge would be "destructive of judicial responsibility" and that "the integrity of the administrative process must be equally respected." *Morgan*, 313 U.S. at 422. Patent examiners are quasi-judicial officials. *Butterworth*, 112 U.S. at 67. It is no more appropriate to question a patent examiner's technical expertise than it is to question the quality of a judge's law school education or judicial experience. Furthermore, ***questions that might discredit an examiner are irrelevant because it is not the particular examiner's expertise that gives the decisions presumptive correctness but the authority duly vested in him by his appointment as a patent examiner.***

Id., 860 F.2d at 432 (*emphasis added*). However, Bonneau's "prosecution irregularities" argument seeks to do just that -- namely, discredit the particular examiner by showing the he or she failed to follow ministerial provisions of the MPEP or lacked the fortitude to resist the mandatory (*see* 37 C.F.R. §10.83) zealous efforts of counsel.

But as noted in *Piezo*, it is not the particular examiner's expertise (or fortitude) that gives his or her decisions presumptive correctness. Magnivision respectfully submits that circumstantial evidence and/or "expert" speculation concerning the examiner's personality traits -- *i.e.,* his or her obstinacy to counsel's arguments, or to-the-letter compliance with MPEP rules -- is irrelevant for exactly the same reason as pertains to the direct evidence. Indeed, the PTO's rules implementing the *Piezo* doctrine expressly prohibit PTO employees from giving testimony or producing documents:

> in response to questions which seek: ...
>
> (iv) Usual practice or whether the employee followed a procedure set out in any Office manual of practice in a particular case. ...
>
> (D) Any Office manual of practice.
>
> (E) Office regulations.

37 C.F.R. §15a6. In sum, "[u]nder the well-settled presumption of administrative regularity, courts assume administrative officials 'to be men [and women] of conscience and intellectual discipline, capable of judging a particular controversy fairly on the basis of its own circumstances.'" *Louisiana Ass'n of Independent Producers and Royalty Owners v. F.E.R.C.*, 958 F.2d 1101, 1119 (D.C. Cir. 1992) (quoting *Withrow v. Larkin,* 421 U.S. 35, 55 (1975) (quoting *United States v. Morgan*, 313

U.S. 409, 421 (1941))).

"[One] cannot, by sheer multiplication of innuendo, overcome the strong presumption of agency regularity." *Louisianna Ass'n*, 958 F.2d at 1111 (citing *Larkin* and *Morgan*). Bonneau's "prosecution irregularities" defense is just another example of this type of improper innuendo and speculation -- *i.e.*, lumping together of evidence which is not relevant to patent validity, and using innuendo therefrom to undercut the presumption of validity.

Bonneau complains that, now, a patent challenger may not introduce evidence of occurrences from the patent prosecution to show that the examiner was wrong in his or her decision to issue the patent. This is incorrect. A patent's prosecution is still relevant to every issue which it was relevant to prior to the Federal Circuit's decision. Rather, the Federal Circuit's decision reaffirms that alleged trivial mistakes occurring during the prosecution of the patent application simply cannot be considered as a basis to attack the validity of a patent.

Throughout the Petition, Bonneau complains of a blanket prohibition on the relevancy of facts in the prosecution history. *See* Petition at 11. ***However*** Bonneau fails to mention that the prohibition is to irrelevant facts. Relevant facts, such as those which go to inequitable conduct, unenforceability, and the doctrine of equivalents and prosecution history estoppel, clearly can be made issues in a lawsuit. Only purported failures to comply with the minutia of Patent Office regulations can not.

Bonneau's suggestion that the Federal Circuit decision sends the wrong message (*i.e.*, that it is acceptable to ignore Patent Office regulations) is baseless. This case merely holds that a party cannot challenge the validity of a patent on a ground not included in 35 U.S.C. § 101 *et seq.*, and that a patent owner is entitled to a trial not prejudiced by a series of irrelevant attacks on the validity of the patent.

4. THE FEDERAL CIRCUIT DECISION DOES NOT CONFLICT WITH ANY DECISION OF THIS COURT

On page 14 of the Petition, Bonneau urges that the Federal Circuit's ruling on the admission of prosecution irregularities conflicts with the decision of this Court in

Warner-Jenkinson Co., Inc. v. Hilton Davis Chemical Co., __U.S.__ 117 S.Ct. 1040 (1997). This is incorrect.

In *Warner-Jenkinson*, this Court held that the prosecution history is essential in determining the scope of the claims, especially under the doctrine of equivalents where it is absolutely essential to examine the reasoning behind the Patent Office's insistence on amending claim language. ***However***, this Court never held that the prosecution history is relevant to attack the validity of the patent because of some procedural default. Rather, the issue of claim construction (*i.e.*, determining the scope of a claim) for a patent is part of an infringement analysis. *See, e.g., Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed. Cir. 1995) (*en banc*), *aff'd*, 116 S. Ct. 1384, 1396 (1996).

However, the issue of claim construction focuses on very different facts and law than the issue of patent validity. Thus, although the prosecution history is relevant to claim interpretation, outside of its relevance to the defense of inequitable conduct, prosecution history is irrelevant to patent validity. Thus, Bonneau's statement regarding *Warner-Jenkinson*, is an incorrect statement of law.

5. Bonneau Is Asking This Court To Make New Law, And The New Law Requested Is Inappropriate

Bonneau's statement that the Federal Circuit Court decision prevents a fair adjudication on the merits of a patent claim (Petition at 6), is, at best, a cry for legislation. Bonneau is upset over the unavailability of the so-called defense of "Prosecution Irregularities," as per Congress's failure to include this defense in the statute. However, it is not the function of this or any other court to rewrite a statute, as stated in *Commissioner of Internal Revenue v. Lundy*, 516 U.S. 235, 116 S.Ct. 647 (1996) wherein this court stated:

> We are bound by the language of the statute as it is written, and even if the rule Lundy advocates might "accor[d] with good policy," we are not at liberty "to rewrite [the] statute because [we] might deem its effects susceptible of improvement."

116 S. Ct. at 657 (*citations omitted*).

Bonneau's Petition paints a picture whereby the landscape of patent law has been destroyed because, under the Federal Circuit's decision, there is now no way to attack the "Presumption of Validity" with evidence that does not go to the issue of patent validity. However, there is no authority for attacking the "Presumption of Validity" on evidence which is

separate from a showing of patent invalidity.

However, the truly frightening scenario is the one which would be played out if the defense of "Prosecution Irregularities" were accepted.

If, in the future, parties with insufficient proof to establish any fraud or inappropriate conduct during a patent's prosecution are nevertheless permitted to urge that the presumption of validity has been weakened because of a so-called "prosecution irregularity," the "prosecution irregularities" defense will undoubtedly spread, like a virulent and uncontrollable virus, and become a central theme of every patent case tried to a jury.

The potential application of this defense is remarkably broad. As used by Bonneau at trial (and urged in its Petition), the "prosecution irregularities" defense enables a defendant to introduce evidence of each and every alleged imperfection (or "irregularity") in the file history, and then argue, on summation, that since the presumption of validity assumes "no irregularities," and because a variety of "irregularities" have been shown, the validity of the patent-in-suit is subject to

heightened scrutiny.

Such an argument is improper because it permits a defendant to throw all its evidence of invalidity into a single pot -- "prosecution irregularities" -- when prosecution irregularity is not a statutory defense. Aggregating unrelated evidence and arguing that the sum makes out a defense of "prosecution irregularities" clearly undermines the intent of 35 U.S.C. §282, which places on the defendant the burden to demonstrate that the patent-in-suit is invalid for failure to comply with one of the substantive requirements of the Patent Act.

While a patent infringer may lack the facts to prove patent invalidity on any single statutory ground by clear-and-convincing evidence, the "prosecution irregularities" defense provides a simple, two-step solution to an infringer's dilemma. The defendant need only structure its closing argument as Bonneau did. First, characterize each piece of evidence as an "irregularity" and argue that the prosecution, in light of all the "irregularities," is flawed, and thus the presumption of validity does not apply. Second, re-offer the less-than-sufficient evidence of substantive invalidity (*i.e.*, the statutory grounds of invalidity), this time hoping that it is enough to overcome the

now-weakened presumption of validity. This Court should not permit this dangerous defense to stand.

Thus, in this case, Bonneau complained about an interview with the examiner not being recorded. To begin with, the evidence at trial indicated that the telephone call was not an interview. MPEP § 713.01, explains that "[a]n interview should normally be arranged for in advance;" and that "[a]n examiner's suggestion of allowable subject matter ***may justify indicating the possibility of an interview to accelerate early agreement on allowable claims***." (*emphasis added*). In this case there was no arrangement made for an interview, which would indicate that there was no interview conducted. Moreover, in this case the examiner called the applicant's patent attorney to suggest allowable subject matter -- again, suggesting that this was prior to an interview. Finally, as the Federal Circuit explained, the patentee's attorney recorded the results of a discussion with the examiner on two separate occasions. *See* Appendix to Petition at 5, 6 and 8.

Bonneau also urges on page 15 of its Petition that the examiner was required to review the submission by Magnivision's attorney, setting forth the substance of the

interview for completeness and correct any inaccuracies. The relevant section of the Manual for Patent Examining Procedure (Section 713.04) requires the examiner to correct material inaccuracies which bear on the question of patentability. The examiner never corrected the reasons set forth by Magnivision in its submission to the Patent Office as being the basis for the allowance of claim 5. Under the presumption of administrative correctness, as a matter of law it is presumed the examiner found the submission to be correct. See *Advanced Semiconductive Materials America, Inc.*, 98 F.3d 1563 (Fed. Cir. 1996), *cert. denied*, __U.S.__ 117 S.Ct. 1822 (1997); *American Hoist & Derick Co. v. Sowa & Sons, Inc.*, 725 F.2d at 1359-60.

However, because certain occurrences during the prosecution of the patent-in-suit (*i.e.*, the examiner telephoning Magnivision's attorney) happen less frequently than other aspects of a prosecution, even though Magnivision did nothing which was even questionably improper, under the "Prosecution Irregularities" defense, the patent-in-suit's presumption of validity was eviscerated.

Although Bonneau delves into the hypothetical effects on a patent suit (in the guise of stating that the law has changed), the real effects of asserting a "prosecution irregularities" defense are much more significant and horrific -- so called "prosecution irregularities" can so taint a trial that a patentee's patent is held invalid on non-statutory grounds -- a problem which could only be corrected on appeal. And in the interim, every other competitor can infringe the patent.

Thus, though doing nothing improper when prosecuting the patent, as a result of the "prosecution irregularities" defense, Magnivision was subject to: (1) a prejudicial trial; (2) the costs of an appeal and re-trial; (3) the costs of opposing a petition for certiorari; and (4) the cost of trying to stop third party infringement that occurred after the first trial. The Federal Circuit's decision prevents this injustice from recurring.

CONCLUSION

Bonneau's Petition for Certiorari should be denied.

Respectfully submitted,

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